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Forbes



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I cover the collision of advertising and the Internet.

TECH | 9/22/2011 @ 9:06PM | 2,551 views

Facebook's Big Changes: What's In It for Advertisers?

Facebook's F8 developer conference is for software developers, of course, not advertisers. Still, the big changes Facebook announced today, such as a new Timeline that will replace profile pages, seem sure to have huge implications for marketers as they try to get their arms around how best to reach consumers on the world's largest social network.

That should help Facebook build more momentum for ad sales, which eMarketer already forecasts will double to \$3.8 billion this year. "We're not doing anything new here with ads, but this should make ads better," CEO Mark Zuckerberg said after his keynote. Or at least help marketers better reach and get people's attention with their ads.

How so? Here are a few ways:

*** More engagement on Facebook.** People are spending increasing amounts of time on Facebook, whether it's playing social games like FarmVille or sharing photos. Anything like Timeline that encourages people to post more about what they're doing—and they will do so automatically, if they set up music, movie, and others apps that way at the outset—means they'll be spending more time on the site. That's what advertisers are looking for, in addition to the sheer numbers of people on the site—now 800 million worldwide.

What's more, if you're an entertainment marketer such as Sony, the new music and movie apps that allow people to share what they're listening to and watching—and even start consuming those songs and movies themselves—means you know exactly whom to market to for similar artists or movies. Sony doesn't need to guess the demographics of someone who may be likely to see a particular kind of movie—they'll have a much more precise idea from knowing who likes what movies.

*** Data for more precise targeting.** The more people do on Facebook, the more data they generate about their interests, needs, wants and everything else marketers are interested in knowing. Through something Facebook calls Graph Targeting, marketers can target just whom they want to reach, such as people who like a particular kind of music or who have visited a store multiple times. "A lot of these enhancements open up the visibility of people's passions," says Blake Cahill, CEO of social media agency Banyan Branch. "This should make it a lot easier to do ad targeting."

*** More options for social ads.** Currently marketers can turn actions Facebook users take, such as clicking a Like button of a product or checking in at a store, into ads called Sponsored Stories that appear in their friends'

Facebook newsfeeds. Up to now, marketers have been able to turn only a few actions, such as a Like or a check-in, into Sponsored Stories.

Now, using a connection to Facebook's ad system called Action Spec, marketers can tap into a far wider range of actions to turn into Sponsored Stories, such as a person playing a song or watching a movie or even buying, say, an Atlanta Falcons game next Sunday. Facebook and marketers say people are more likely to view an ad and ultimately make a purchase if they see their friends' names on them. "Marketing on Facebook is all about social discovery, which is how you learn things from your friends," Gokul Rajaram, Facebook's product director for ads, said at a presentation at F8.

Zuckerberg says that already, more Facebook ads are becoming social—a claim backed up by marketers and ad agencies. Patrick Toland, senior VP and U.S. managing director for TBG Digital, a marketing and technology company specializing in Facebook and social media, says the company's largest advertiser now spends 75% of its Facebook ad budget on Sponsored Stories.

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